

State of South Dakota

EIGHTY-SECOND SESSION
LEGISLATIVE ASSEMBLY, 2007

400N0252

SENATE BILL NO. 40

Introduced by: The Committee on Taxation at the request of the Department of Revenue and Regulation

1 FOR AN ACT ENTITLED, An Act to revise the distribution process for the bank franchise tax.

2 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

3 Section 1. That § 10-43-1 be amended by adding thereto a NEW SUBDIVISION to read as
4 follows:

5 "Credit card services," all income producing activities of a person subject to the tax provided
6 in this chapter derived from the use of credit cards. These activities include fees, transactional
7 costs, interest, and penalties;

8 Section 2. That § 10-43-76 be amended to read as follows:

9 10-43-76. Upon the receipt of the funds referred to in this chapter, the secretary of revenue
10 and regulation shall deposit ninety-five percent of the taxes ~~paid by banks organized under~~
11 ~~§§ 51A-2-38 to 51A-2-43, inclusive~~ on net income derived from credit card services, and
12 twenty-six and two-thirds percent of all other revenue to the general fund. The secretary of
13 revenue and regulation shall remit the remainder, on or before February first of each year, to the
14 county treasurer of the county wherein is situated the bank or financial institution remitting the
15 tax. However, the remittance of tax from all branch banks, branch offices, or branches of other



- 1 financial institutions subject to this tax shall be separated from the remittance of the parent bank
- 2 or financial institution and shall be remitted to the county treasurer of the county wherein ~~said~~
- 3 the branch bank, branch office, or financial institution is located.